

MINUTE ITEM

This Calendar Item No. C30 was approved as
Minute Item No. 30 by the California State Lands
Commission by a vote of 3 to 0 at its
11-21-06 meeting.

CALENDAR ITEM

C30

A 1

11/21/06

PRC 5897 WP 5897.9

S 2

J. McComas

GENERAL LEASE - PROTECTIVE STRUCTURE USE

APPLICANT:

Silverado Sonoma Vineyards, LLC, a California Limited Liability Company
855 Bordeaux Way, Suite 100
Napa, CA 94558

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in the Russian River, near the town of Rio Dell, Sonoma County.

AUTHORIZED USE:

Continued use and maintenance of bank protection as shown on Exhibit A.

LEASE TERM:

20 years, beginning September 25, 2005.

CONSIDERATION:

The public use and benefit; with the State reserving the right at any time to set a monetary rent if the Commission finds that such action to be in the State's best interest.

SPECIFIC LEASE PROVISIONS:

Liability insurance in an amount of no less than \$500,000.

OTHER PERTINENT INFORMATION:

1. Applicant owns the uplands adjoining the lease premises.
2. On September 24, 1980, the Commission authorized a General Permit - Protective Structure Use with Vino Farms, Inc., for protective structure and associated diversion of the Russian River. The River was diverted during placement of the riprap which was used for bank stabilization. Once the riprap had been placed, the gravel used for the River diversion was removed. That lease expired on September 24, 2005. The property ownership has since transferred to Silverado Sonoma Vineyards, LLC, a

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California Limited Liability Company, which is now applying for a new General Lease - Protective Structure Use.

3. The bank protection at this location mutually benefits both the public and the Applicant. The bank of the River will have the additional protection from winter flows provided at no cost to the public.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (a)(2).

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE

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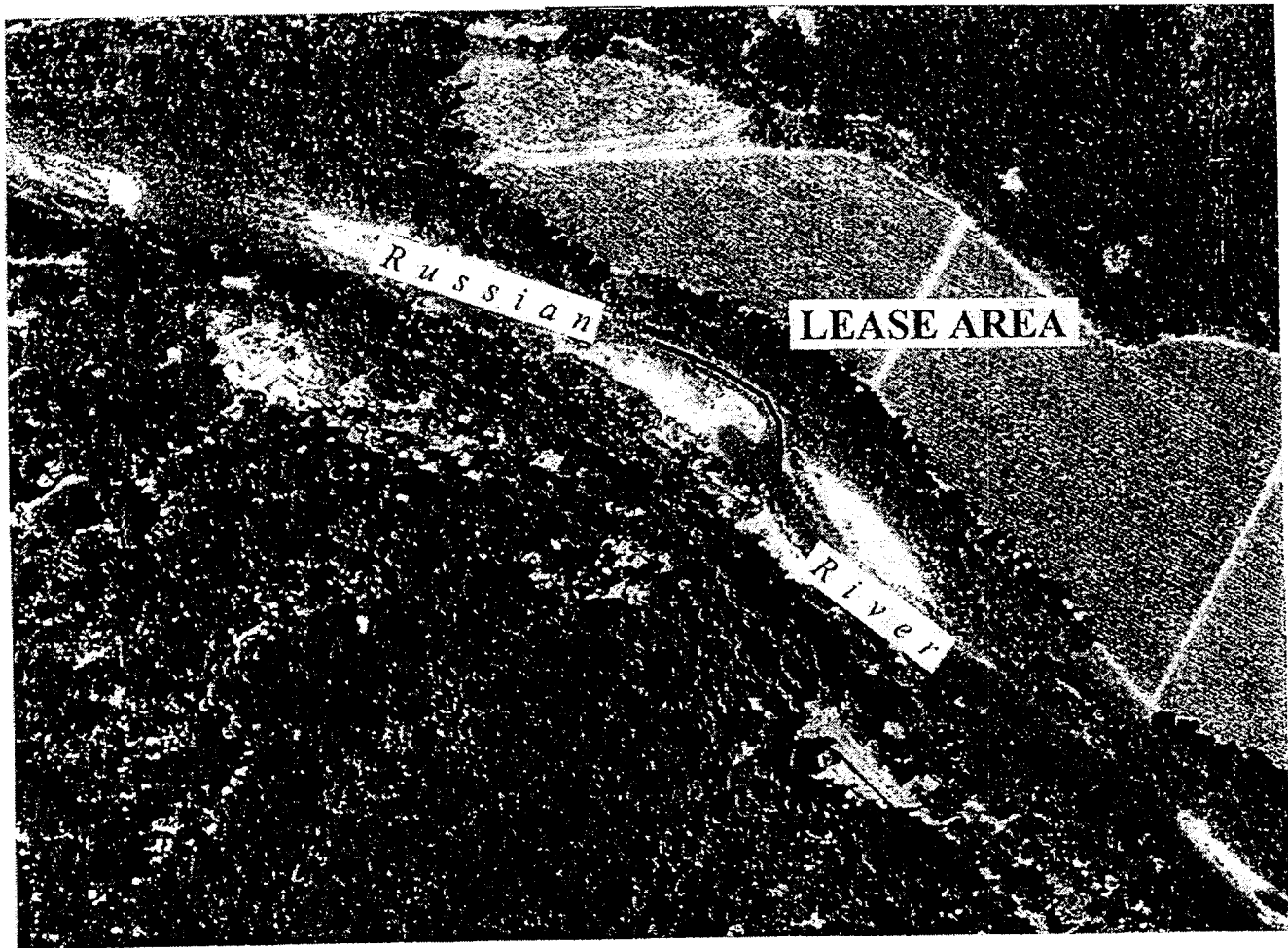
LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370,
ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO SILVERADO SONOMA VINEYARDS, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY OF A GENERAL LEASE
- PROTECTIVE STRUCTURE USE, BEGINNING SEPTEMBER 25, 2005,
FOR A TERM OF 20 YEARS, FOR BANK PROTECTION AS SHOWN ON
EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART
HEREOF; CONSIDERATION BEING THE PUBLIC USE AND BENEFIT;
WITH THE STATE RESERVING THE RIGHT AT ANY TIME TO SET A
MONETARY RENT IF THE COMMISSION FINDS SUCH ACTION TO BE
IN THE STATE'S BEST INTEREST; LIABILITY INSURANCE IN AN
AMOUNT OF NO LESS THAN \$500,000.

NO SCALE

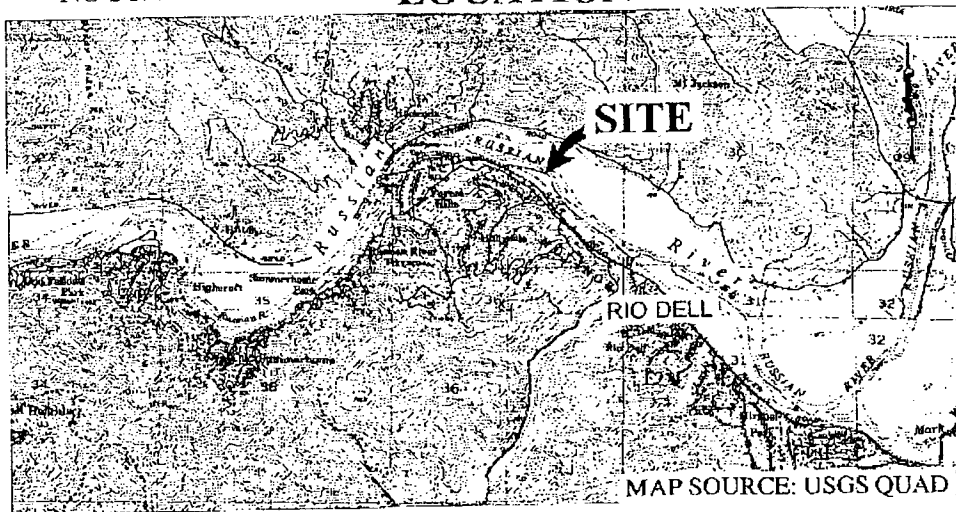
SITE



RUSSIAN RIVER AT RIVER MILE 21.5, RIO DELL

NO SCALE

LOCATION



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

WP 5897.9

SILVERADO SONOMA

VINEYARDS LLC

APN: 110-280-001;004

GENERAL LEASE

PROTECTIVE STRUCTURE USE

SONOMA COUNTY



MJ/07/06

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